

Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 DODE-00 NSAE-00 RSC-01 TRSE-00

AEC-11 CIAE-00 COME-00 DRC-01 /050 W

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FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC 9599

INFO USDOC WASHDC

AMEMBASSY VIENNA

C O N F I D E N T I A L MOSCOW 8713

E.O. 11652: GDS

TAGS: ESTC, UR, US

SUBJECT: EXPORT LICENSES - REFUSAL OF LICENSE FOR HEWLETT-
PACKARD SYSTEM SOLD TO INSTITUTE OF BUILDING
STRUCTKRES

1. DURING JUNE 6 CONVERSATION WITH ECON COUNSELOR AND COMMATT, HEWLETT-PACKARD'S SOVIET/EE REP DAVID SHORTT RAISED SUBJECT OF RECENT DENIAL OF H-P'S EXPORT LICENSE APPLICATION FOR HP2100 COMPUTER SYSTEM SOLD TO INSTITUTE OF BUILDING STRUCTURES (BEWT CASES 065391 AND 995093). INTER ALIA, SHORTT POINTED OUT THAT DENIAL ACTION, AND LONG DELAY IN REACHING DECISION TO DENY LICENSE, WAS HAVING VERY BAD IMPACT ON H-P'S BUSINESS HERE, WITH RESPONSIBLE FTO, ELEKTRONORGEHNIKA, "SITTING ON" \$700,000 WORTH OF ORDERS WAITING TO SEE HOW LICENSE APPLICATION WAS DECIDED. (NOTE: SHORTT INTENDED BREAK NEWS OF DENIAL TO ELEKTRONORGTEKHNIKA AFTER MEETING WITH EMBASSY OFFICERS.) SHORTT ALSO MAINTAINED THAT DENIAL ACTION REFLECTED MISUNDERSTANDING OF WORK UNDERWAY AT INSTITUTE OF BUSINESS STRUCTURES AND OF RELATIONSHIP BETWEEN SYSTEM FOR WHICH LICENSE DENIED AND LARGELBAIDENTIFICAL H-P SYSTEM SOLD TO SAME INSTITUTE FOR WHICH LICENSE APPROVED. SHORTT INDICATED THAT HE INTENDED REAPPLY FOR LICENSE ON BASIS CHANGES MADE IN CONFIGURATION OF SYSTEM.

2. COMMENT: WHILE WE NOT IN POSITION EVALUATE TECHNICAL
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ASPECTS OF THIS CASE, OR SIMILAR CASES, THERE IS LITTLE

DOUBT THAT DENIAL OF LICENSE AND ASSOCIATED LENGTHY DELAY CAN
HAVE VERY CORROSIVE EFFECT ON AN INDIVIDUAL COMPANY'S
RELATIONSHIP WITH SOVIETS. H-P HAS BEEN ONE OF MAJOR U.S.
EXPORTERS OF COMPUTER EQUIPMENT AND SCIENTIFIC INSTRUMENTS
TO USSR, AND DENIAL ACTION IN THIS CASE WILL NOT HELP.
FOR WHAT IT MAY BE WORTH, SHORTT MAINTAINS THAT SYSTEMS
IDENTICAL, IN MOST RESPECTS, TO HP2100 ARE BEING SOLD WITHOUT
LICENSES BY FRENCH COMPANY ELECTROTECHNIC.
STOESSEL

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Message Attributes

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Concepts: EXPORT LICENSES, COMPUTERS
Control Number: n/a
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Draft Date: 07 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
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Review Markings:

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30 JUN 2005

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